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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of

MOBILEMEDIA CORPORATION, et al.

Applicant for Authorizations and Licensee  
of Certain Stations in Various Services

To: The Honorable Joseph Chachkin

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WT Docket No. 97-115

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Federal Communications Commission  
Office of Secretary

MOTION OF SECURED LENDERS  
FOR LEAVE TO FILE COMMENTS  
IN SUPPORT OF EMERGENCY MOTION OF MOBILEMEDIA  
FOR STAY OF PROCEEDINGS

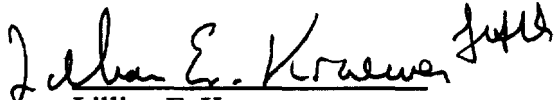
The Chase Manhattan Bank, as agent for the secured lenders to MobileMedia Communications, Inc. ("Secured Lenders"), hereby moves for leave to file the attached comments in support of the emergency motion of MobileMedia Corporation and its subsidiaries, debtors-in-possession ("MobileMedia") for a stay of proceedings. The Commission's favorable disposition of MobileMedia's motion is of paramount importance to its innocent creditors, including its Secured Lenders. As set forth more fully in the accompanying comments, with the value of MobileMedia's business having already eroded to a point where equityholders have at best a *de minimis* economic stake, any further reduction in MobileMedia's value will directly harm the creditors, and the hearing designated in the Commission's April 8, 1997 order presents a grave risk of further diminution in the value of MobileMedia's business.

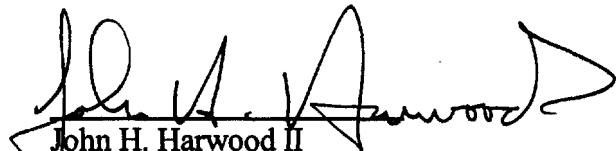
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For these reasons, the Secured Lenders urge the Presiding Judge to grant this motion for leave to file comments in support of the relief requested by MobileMedia.

Respectfully submitted,

  
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April 29, 1997

**April 29, 1997**

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

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<b>MOBILEMEDIA CORPORATION, et al.</b>	)	<b>WT Docket No. 97-115</b>
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	)	
<b>To: The Honorable Joseph Chachkin</b>	)	

**COMMENTS OF SECURED LENDERS  
IN SUPPORT OF EMERGENCY MOTION OF MOBILEMEDIA  
FOR STAY OF PROCEEDINGS**

The Chase Manhattan Bank files these comments on behalf of the secured lenders to MobileMedia Communications, Inc., a subsidiary of MobileMedia Corporation ("Secured Lenders"), as agent for those lenders, in support of the emergency motion of MobileMedia Corporation and its subsidiaries, debtors-in-possession ("MobileMedia"), for a stay of proceedings.

MobileMedia has asked the Commission to confirm the availability of a *Second Thursday* resolution of this matter, and to stay the proceedings while MobileMedia pursues a sale or reorganization through its consolidated bankruptcy cases that will satisfy the *Second Thursday* criteria. MobileMedia's Secured Lenders -- financial institutions that made \$649 million in prepetition secured loans to MobileMedia, and a subgroup of those institutions that has committed to provide MobileMedia up to \$200 million in postpetition secured financing<sup>1/</sup> --

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<sup>1/</sup> The Secured Lenders provided prepetition loans under the Credit Agreement, dated as of December 4, 1995, and postpetition financing under the Revolving Credit and Guarantee Agreement, dated as of January 30, 1997.

strongly support those requests. Both a stay and an explicit affirmation of the effect of *Second Thursday* are essential to ensuring that the Commission's processes in this matter frustrate neither the purposes of the bankruptcy code nor the Commission's established policy of protecting the interests of innocent creditors.

In its motion, MobileMedia formally commits to “pursuing a process that will result in an assignment or transfer of control that is fully and strictly consistent with *Second Thursday* precedent.” Motion at 2. Moreover, it has shown that the bankruptcy proceeding and the requirement of ultimate Commission approval of a sale or reorganization should independently produce such a result. Thus, “whether through a sale of MobileMedia to a third party or through a plan of reorganization that transfers ownership of the Company to MobileMedia's creditors” (*id.*), MobileMedia will bring to the Commission an application for assignment or transfer under which any individuals then charged with misconduct “will have no part in the proposed operations [of the future licensee] and will either derive no benefit from favorable action on the application or only a minor benefit which is outweighed by equitable considerations in favor of innocent creditors.” *Second Thursday*, 22 F.C.C.2d 515, 516, *recon. granted*, 25 F.C.C.2d 112 (1970).

MobileMedia's express commitment and persuasive showing justify a stay of the hearing in this case. The Commission has previously granted stays to permit licensees in hearing to pursue *Second Thursday* or similar solutions, to avoid the expenditure of resources in a

hearing that such a solution would obviate.<sup>2/</sup> The same rationale warrants a stay in this case. To be sure, the Commission has not had occasion to issue a *Second Thursday* stay in the context of a complicated and necessarily lengthy bankruptcy proceeding of the kind present here. But the same principles apply: The Commission should flexibly respond to a licensee/debtor's request for time to seek a *Second Thursday* solution, taking account of the relevant facts and circumstances.

Like the Commission, the Secured Creditors have a vital interest in achieving as prompt a resolution of MobileMedia's bankruptcy as is practicable. However, in this case a substantial effort will be needed to stabilize operations and assess the value of the ongoing business of MobileMedia. It is a large, public company; MobileMedia and its subsidiaries, all in bankruptcy, have thousands of licenses, millions of customers, and several thousand employees. As a result, substantially more time will be needed to pursue a *Second Thursday* solution than in the relatively simple cases that the Commission has faced in the past. MobileMedia has asked for a stay of 10 months' duration. Based on their experience in other bankruptcies of similar size and complexity, the Secured Lenders believe a stay for such a period is necessary for MobileMedia to discharge its obligation to maximize value for the benefit of affected parties, including innocent creditors. The schedule outlined in MobileMedia's motion demonstrates the

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<sup>2/</sup> *KOZN-FM*, 5 F.C.C. Rcd 2849 (1990) (Commission order referring to ALJ stay order); *see also Oyate, Inc.*, 3 F.C.C. Rcd 3940 (1988) (Commission order) (would not "serve public interest to expend hearing resources while we consider this matter"). The Commission has adopted a similar policy in the context of distress sales, in order to permit licensees designated for hearing to find qualified buyers. *See, e.g., Atkins Broadcasting*, 8 FCC Rcd 6321, 6322 (MMB 1993); *Allan H. Weiner*, 1986 Lexis 3580 (MMB 1986)(stay granted and twice extended); *Blue Ribbon Broadcasting, Inc.*, 90 F.C.C.2d 1029, 1030-31 (ALJ 1981).

strength of its commitment to comply with the Commission's desire -- and the Secured Lenders' own need -- to achieve as prompt an end to the pending consolidated bankruptcy cases as possible. Thus, as did the bankruptcy trustee in *LaRose v. FCC*, 494 F.2d 1145, 1149 (D.C. Cir. 1974), here the debtors-in-possession are acting "well within the bounds of rationality in terms of faithfulness to [their] duties."

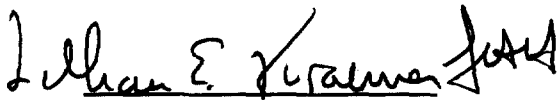
The Secured Lenders also endorse MobileMedia's request that the Commission expressly reassure the marketplace that, if MobileMedia satisfies the *Second Thursday* criteria, its licenses will not be revoked and the qualification issues identified in the hearing designation order will not be considered in connection with its pending or future applications. As the D.C. Circuit held in *LaRose*, the Commission should "constantly be alert to determine whether [its] policies might conflict with other federal policies and whether such conflict can be minimized." *Id.* at 1146 n.2. Here, there is a particular need for a statement such as that sought by MobileMedia. The hearing order has already created substantial disruption of MobileMedia's ongoing business and uncertainty in the marketplace about its ongoing viability. Continued disruption and uncertainty present a grave risk to MobileMedia's retention of existing customers and its ability to win new ones, and thus to the value of the business itself.

That is first and foremost a risk to MobileMedia's innocent creditors. With the value of the business having already eroded to a point where equityholders have at best a *de minimis* economic stake, any further reduction in MobileMedia's value will directly harm the creditors. In the unique circumstances of the bankruptcy of a public company of this size, the Secured Lenders respectfully urge that it is necessary and appropriate for the Commission to take

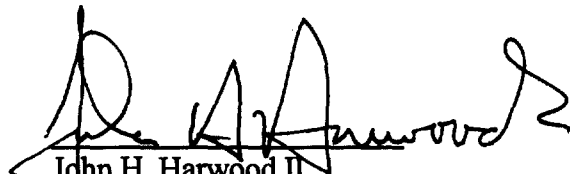
steps to restore calm to the marketplace by making clear in its stay order what the result of a *Second Thursday* resolution will be.

For the foregoing reasons, the Secured Lenders urge the Presiding Judge to grant the relief requested by MobileMedia.

Respectfully submitted,



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April 29, 1997

**CERTIFICATE OF SERVICE**

I hereby certify that on this 29th day of April, 1997, I caused copies of the foregoing Motion of Secured Lenders for Leave to File Comments in Support of Emergency Motion of MobileMedia for Stay of Proceedings and attached Comments to be hand-delivered to the following:

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